AC225-1

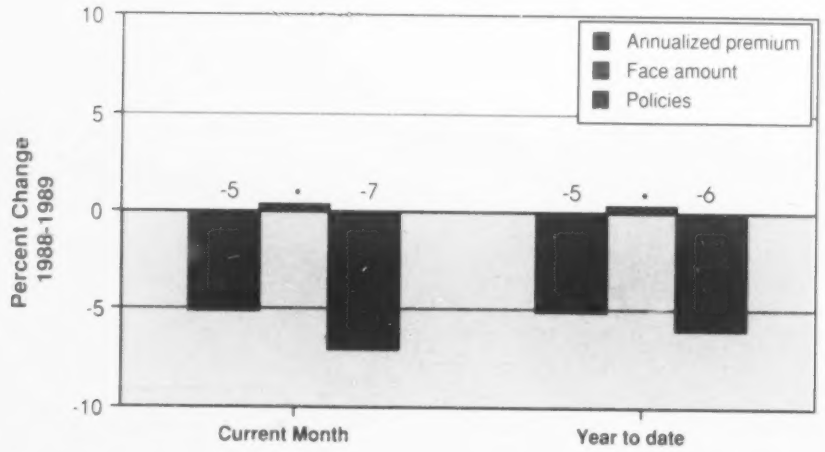
I/R Code 47.40

August 1989

MONTHLY SURVEY OF LIFE INSURANCE SALES IN THE UNITED STATES

Individual Sales

122 Companies

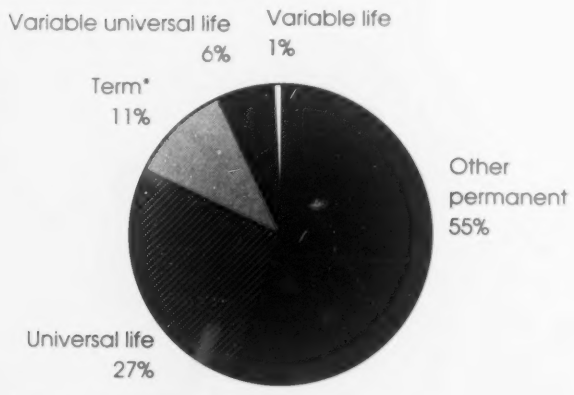


*Less than 1/2 of 1 percent

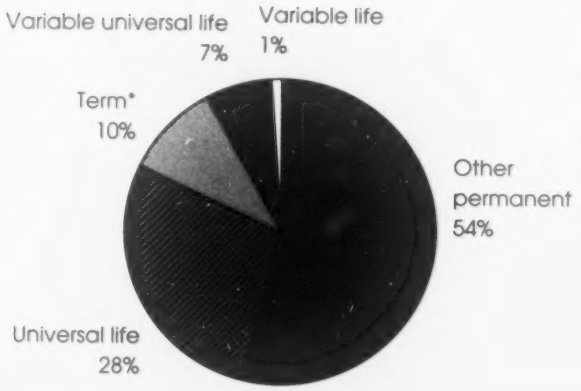
Annualized premium includes 10 percent of single premiums. Some companies report only premium (without corresponding face amount) for single premium paid-up addition riders.

Annualized Premium Market Share by Product

Current Month



Prior 12 Months (August 1988 – July 1989)



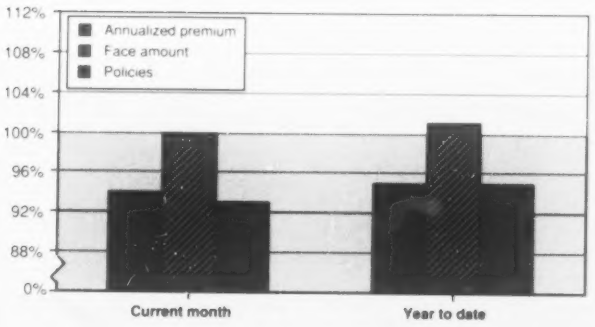
*Estimated based on 85 companies

LIMRA INTERNATIONAL

Profit from our research.

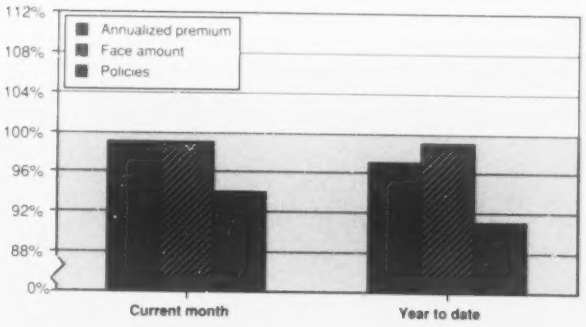
111 Ordinary Companies and Departments

Ratio 1989/1988



18 Home Service Companies and Departments

Ratio 1989/1988



Policy Characteristics – All Companies

Year to Date

	Premium per $1,000	Average size policy	Premium per policy
Total home service companies and departments	$15.59	$ 13,916	$ 217
Total ordinary companies and departments	$ 9.20	$ 93,000	$ 855
Total sales	$ 9.58	$ 69,576	$ 666

Policy Characteristics by Product

Year to Date

	Premium per $1,000	Average size policy	Premium per policy
Term (85 cos.)	$ 2.56	$ 160,605	$ 411
Universal life (106 cos.)	$10.55	$ 92,860	$ 980
Variable life (18 cos.)	$13.43	$ 84,345	$ 1,133
Variable universal life (27 cos.)	$12.24	$ 101,416	$ 1,241
Other permanent* (84 cos.)	$16.86	$ 37,068	$ 625

*Includes current-assumption whole life

Sales Comparisons with Last Year

Year to Date Ratio 1989/1988

	Annualized premium	Face amount	Number of policies
Term (85 cos.)	98%	98%	92%
Universal life (106 cos.)	104%	106%	102%
Variable life (18 cos.)	44%	59%	49%
Variable universal Life (27 cos.)	84%	90%	97%
Other permanent* (84 cos.)	92%	99%	91%

*Includes current-assumption whole life

Single Premium vs. Periodic Premium

(in thousands)

	Single premium (full value)			Annualized premium (excluding single)		
	1988	1989	Ratio 89/88	1988	1989	Ratio 89/88
Month	$ 282,435	$ 77,883	28%	$ 494,466	$ 487,821	99%
Year to date	$ 2,628,107	$ 687,096	26%	$ 3,769,082	$ 3,764,766	100%

Universal Life

Interest Rates This Month

Median	8.6%
Range	6.9% - 10.0%
Range of middle 50%	8.2% - 9.0%
Number of companies reporting	97
Number of plans reported	285

Contributors' Growth Rates

Change in Annualized Premium
Year to Date

Percent change 1988 - 1989	Number of . . . Ordinary cos./depts.	Home service cos./depts.
21% or over	16	0
11% – 20%	13	1
1% – 10%	25	5
-9% – 0	24	6
-19% – -10%	19	4
-20% or under	14	2

August Sales*

	Annualized premium+ (000)			Face amount (000)			Number of policies		
122 Companies									
	1988	1989	Ratio 89/88	1988	1989	Ratio 89/88	1988	1989	Ratio 89/88
January	$ 404,740	$ 416,702	103%	$ 38,996,359	$ 41,896,582	107%	594,748	597,881	101%
February	480,261	433,758	90	47,791,305	45,849,937	96	769,821	684,878	89
March	555,957	533,029	96	55,532,813	55,716,524	100	897,808	817,102	91
April	525,050	476,331	91	51,717,194	50,552,273	98	793,221	745,261	94
May	520,543	516,798	99	51,519,154	53,748,118	104	783,816	770,809	98
June	539,498	519,864	96	53,381,659	54,133,480	101	810,049	761,733	94
July	483,134	441,385	91	47,412,403	46,172,735	97	703,899	647,920	92
August	522,710	495,609	95	52,230,032	52,290,281	100	779,915	728,691	93
September	512,101			50,762,415			758,608		
October	489,966			51,124,870			762,135		
November	508,629			52,400,772			768,043		
December	709,183			65,773,765			852,129		
Year Total	$6,251,772			$618,642,741			9,274,192		
Year to date	$4,031,893	$3,833,476	95%	$398,580,919	$400,359,930	100%	6,133,277	5,754,275	94%
111 Ordinary Companies and Departments									
Month	$ 475,028	$ 448,368	94%	$ 49,149,669	$ 49,229,967	100%	547,528	510,078	93%
Year to date	$3,651,490	$3,463,634	95%	$374,637,506	$376,642,094	101%	4,265,534	4,049,924	95%
18 Home Service Companies and Departments									
Month	$ 47,682	$ 47,241	99%	$ 3,080,363	$ 3,060,314	99%	232,387	218,613	94%
Year to date	$380,403	$369,842	97%	$23,943,413	$23,717,836	99%	1,867,743	1,704,351	91%

+Includes 10 percent of single premiums

*Excludes $210 million of corporate-owned life insurance premiums reported in 1988 and $197 million reported in the first eight months of 1989.

About the Survey

This survey gives ordinary sales results of a group of companies that report three measures of sales performance — face amount (volume), annualized premiums, and number of policies. From these data, premium per $1,000, average size policy, and premium per policy, as well as trends in those statistics, are derived. Sales results by product are also shown for a subset of the contributing companies.

The definition of new sales excludes revivals, indexed increases, dividend additions, reinsurance acquired, credit insurance (coverage of obligations not exceeding 120 months' duration) and products without insurance (such as annuities). The data include mass-marketed ordinary business.

The ordinary results are based on the experience of 122 companies — and their 56 subsidiary companies — operating in the United States. These contributors represent 61 percent of the 1987 United States ordinary volume sold and 69 percent of 1987 *first-year collected* premiums. Since no industry data are available on total *annualized* new ordinary premiums, the proportion of annualized premiums represented by these contributors cannot be determined. The business of these contributors may not represent the industry proportions of participating and nonparticipating policies and of term and permanent insurance sold; therefore, statistics (such as premium per $1,000) derived from the experience of the contributors may not represent the experience of the industry as a whole.

Company corrections are incorporated on a monthly basis to provide contributors with the most up-to-date information.

Contact: Elaine F. Tumicki, CLU, ChFC
- Project Director
Andrea L. Sohacki
Susan M. Rosenberger
Ellen M. Bush
Diane Stefanik

—Market Research

Life Insurance Marketing and Research Association, Inc.
P.O. Box 208, Hartford, Connecticut 06141

Printed in U.S.A. Copyright © 1989